



State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

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NEWS RELEASE

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GOVERNOR FOSTER PROPOSES HISTORIC GOVERNMENT DOWNSIZING

Baton Rouge, LA - Today, Governor M.J. "Mike" Foster, Jr. proposed the largest single personnel cut in state history.

"This will not be easy, but it must be done," said Governor M.J. "Mike" Foster, Jr. "If a business faces a serious financial crisis, downsizing is a logical option. Louisiana is in a major financial crisis right now and part of solving that problem is to make a sound business decision to cut government personnel with minimum impact on services."

These are not the first cuts government has experienced under Governor Foster's leadership. As promised, during his first four years in office, Governor Foster dramatically slowed the growth of state government for the first time in decades. His administration added only 2,000 total personnel vs. 12,000 added by the two prior administrations. The Foster Administration had already stopped government personnel growth and this will put government more than 3,000 positions below where it was in 1996.

The following are the current recommended budget cuts:

- 4,439 positions in the state workforce \$76.8 million
(In addition to the 779 positions already cut in the Appropriations Bill for a total of 5,218
(This represents about 8% of the total state workforce, and applies to all agencies in the Executive Branch, including statewide elected officials. Key public safety personnel, some federal programs, programs under court order, and other critical positions as determined by the Commissioner of Administration have been exempted.)
- Cuts to the Executive Budget \$35 million
 - 50% Reduction for Urban Development \$5 million
 - 50% Reduction for Rural Development \$5 million
 - Eliminate DARE Program \$3.8 million

Revised Estimate for Charter Schools	\$14.5 million
Eliminate Long Term Care Program	\$6.5 million
• Cuts to Local Government Support	\$5.5 million
10% Cut in Tobacco Tax Revenue	\$1.2 million
10% Cut in Parish Road Fund	\$4.3 million
Total Proposed New Cuts	\$117.2 million (<i>state general funds</i>)
	\$195 million (<i>total funds</i>)

This downsizing will be accomplished in a number of ways. First, an Executive Order will be issued immediately to freeze hiring, travel, contracts, and acquisitions. The 800 positions per month that become vacant will not be filled. The Commissioner of Administration will be allowed to approve the hiring of key positions, as long as another position is eliminated in exchange. Legislative Authority will be sought to allow greater flexibility in budgeting and reassigning personnel, including the ability to transfer up to ten percent of funds and personnel between programs and agencies. This flexibility is critical if the downsizing is to work – limiting the adverse impact on services and limiting the amount of layoffs that will be required.

The Foster Administration will work closely with the Civil Service Department on this downsizing effort to minimize layoffs and to reassign staff to other positions as may be necessary. The Governor is also declaring a moratorium on new 10-year Industrial Tax Exemptions to help local government. In addition, the Legislative Leadership has indicated that the legislature will take comparable downsizing steps, and the Judicial Branch has been asked to follow suit. Local school boards will be asked to downsize their administrative staff by ten percent. Governor Foster and the Legislative Leadership will charge BESE with the responsibility of revising the MFP to redirect these savings into the classroom for remediation or teacher pay.

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